



THE SENATE
LANSING, MICHIGAN

For Immediate Release
August 4, 2004

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Seniors testify on hardships endured due to delays in tax refund processing

LANSING – Too many people who filed paper state income tax returns are still waiting for their refunds, said Sen. Laura Toy, R-Livonia, speaking today to members of the Senate Finance Committee.

“It’s not right that our senior citizens are suffering because the government is holding onto their money,” said Sen. Nancy Cassis, chair of the Senate Finance Committee. “This issue must be resolved as quickly as possible and we must ensure it is not a problem in future years.”

Cassis, R-Novi, decided to pursue the issue by calling a hearing after receiving input from a number of senators, including Toy, who had received complaints from senior citizens in their districts. Committee members heard from seniors, senior center directors, a volunteer tax preparer and others affected by the delays, as well as a representative from the Department of Treasury

“Michigan’s senior citizens deserve better,” Toy said. “This is their money, and my Senate colleagues and I are committed to doing what we can to get this issue resolved as quickly as possible for them.”

Committee members heard stories of the impact this delay is having on Michigan’s senior citizens and low-income individuals. An alarming number of paper returns have been randomly selected for manual review slowing the return process even further. One constituent’s return, which was filed in February with the help of a volunteer at the Livonia Senior Center, was not processed until May. It was selected for review and a homestead refund is now not expected until September.

“Many, many seniors rely on these dollars to help pay for their expenses, including prescription drugs, food and in many cases their summer taxes,” said Dorothy Morris, director of the Redford Senior Center. “It is so important that our area seniors receive their refunds in a timely manner.”

Committee members urged Treasury to act now to speed up the processing of these returns so those affected can get their refunds sooner and to have plans in place for next year to prevent future problems. Julie Croll, chief deputy treasurer, assured the committee that the income tax return associated with a homestead credit would be sent by the end of August.

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Editors note: Audio comments from Sens. Cassis and Toy are available for download from the Senate Majority Multimedia link at <http://www.senate.michigan.gov/gop/audiowire/index.htm>.